



Fiscal 2001 AgExport Forecast Remains at \$53 Billion

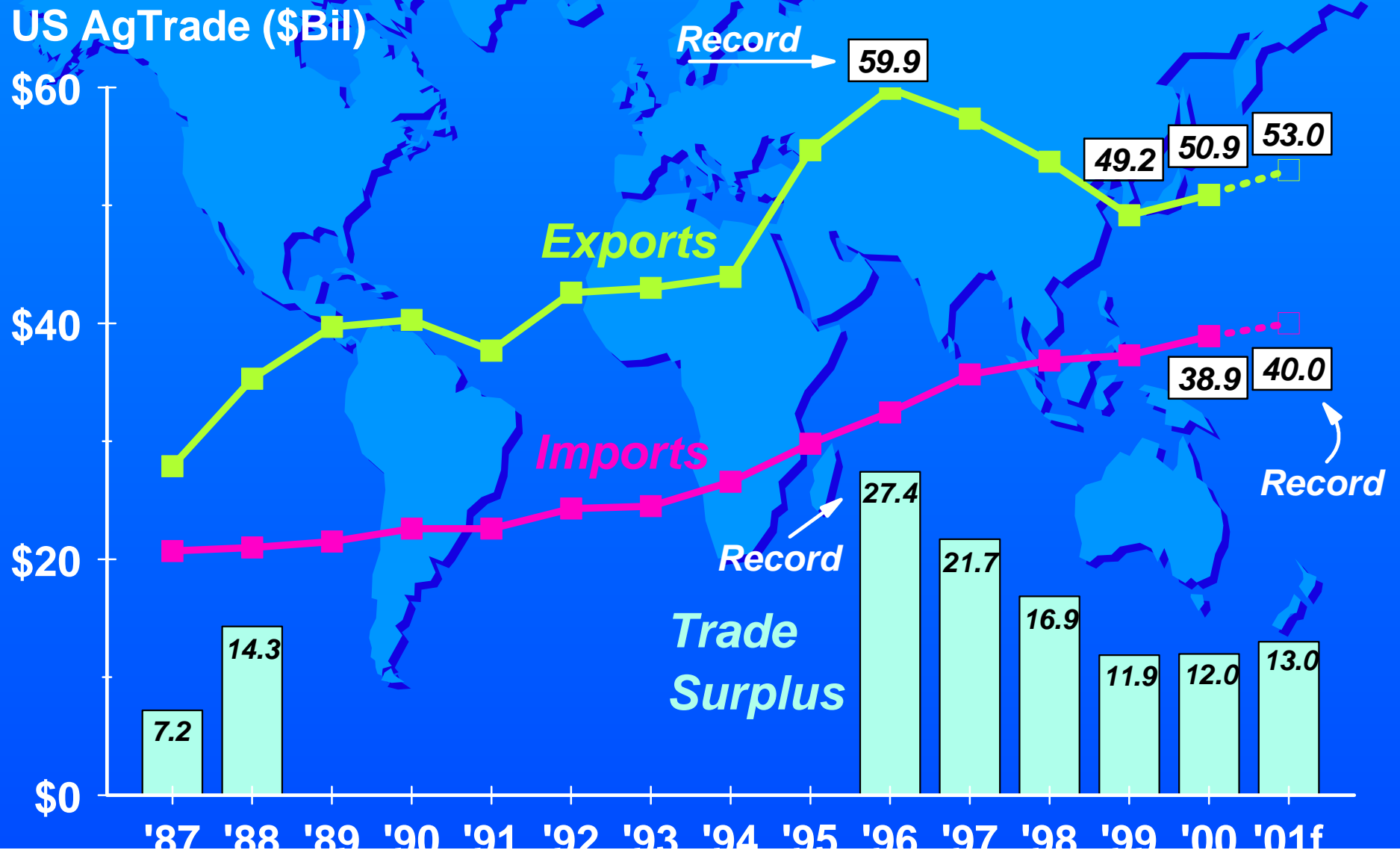
***Since November The Forecast for Horticultural Exports Is Increased,
But Bulk Commodities Are Reduced to 117.7 MMT Largely Due
to Increased Competition in Corn and Soybean Markets***

Quarterly Export Forecasts for Agricultural, Fishery & Forest Products

***USDA's "Outlook for US Agricultural Trade"
was released at the AgOutlook Forum on Feb. 22, 2001
Prepared by Ernest Carter with assistance from CMP commodity analysts, FAS/USDA***

U.S. Agricultural Trade

*Chgs from 2000 to 2001: Exports and trade surplus are expected to rise
Exports are up due to improved horticultural, cotton, grain & poultry sales*



Summary of Major Changes in the Export Forecast Since November

Commodities

Horticultural and poultry meat exports were raised boosted by strong demand and expectations for a weaker dollar -- the annual gain for horticultural exports is \$800 million!

Bulk commodity export volume is reduced 5.2 MMT to 117.7 MMT largely due to increased competition in corn and soybean markets, but year-over-year outlook for these products remains positive.

Countries

US agexports to Canada & Mexico were increased \$600 million to \$15.2 billion -- NAFTA partners now expected to account for 2/3 of total export growth in 2001.

The Asian forecast was reduced \$1 billion to \$20.2 billion -- increased competition in grains and oilseeds markets and weaker economic prospects dampen outlook.

Little change in export forecasts for EU, Russia, other world regions.

Export Outlook for Grain & Feed

Revised Forecast for 2001: Largely Unchanged at \$14.5 Billion

Revisions since Nov due to...

Key Upside Developments

- Rising feed/fodder shipments to Mexico and Korea

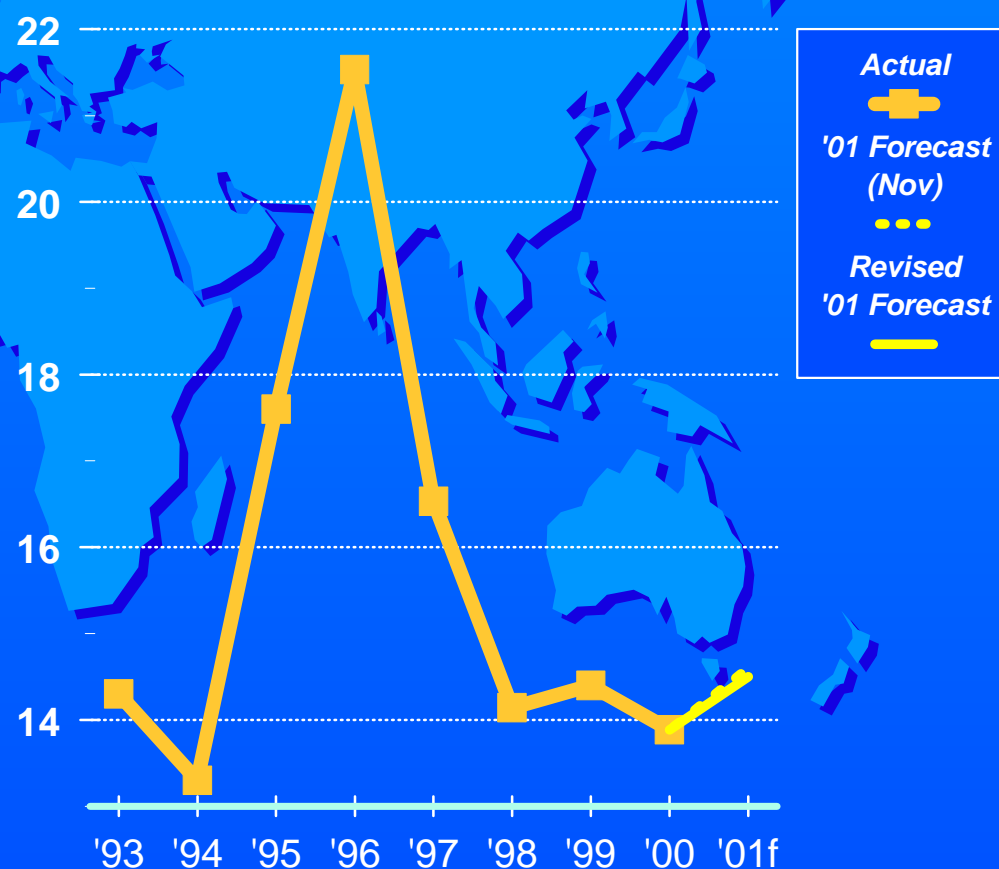
Key Downside Developments

- US corn exports cut by 5 MMT to 52 MMT with upward revision in China exports (year-to-year increase in US corn exports still expected due to reduced China export competition)

Wild Cards

- China's corn and wheat trade could be influenced by domestic policy changes or multilateral commitments
- Argentina's exportable supply of corn

U.S. Grain & Feed Exports (\$Bil)



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2001:  \$600 Million to \$8.4 Billion

Revisions since Nov due to...

Key Upside Developments

- US soybean exports may slightly exceed FY-2000 record vol of 26.1 MMT
- Low oil prices have reduced foreign planting of high oil content crops
- Palm oil output is beginning to slow from its above average growth rate

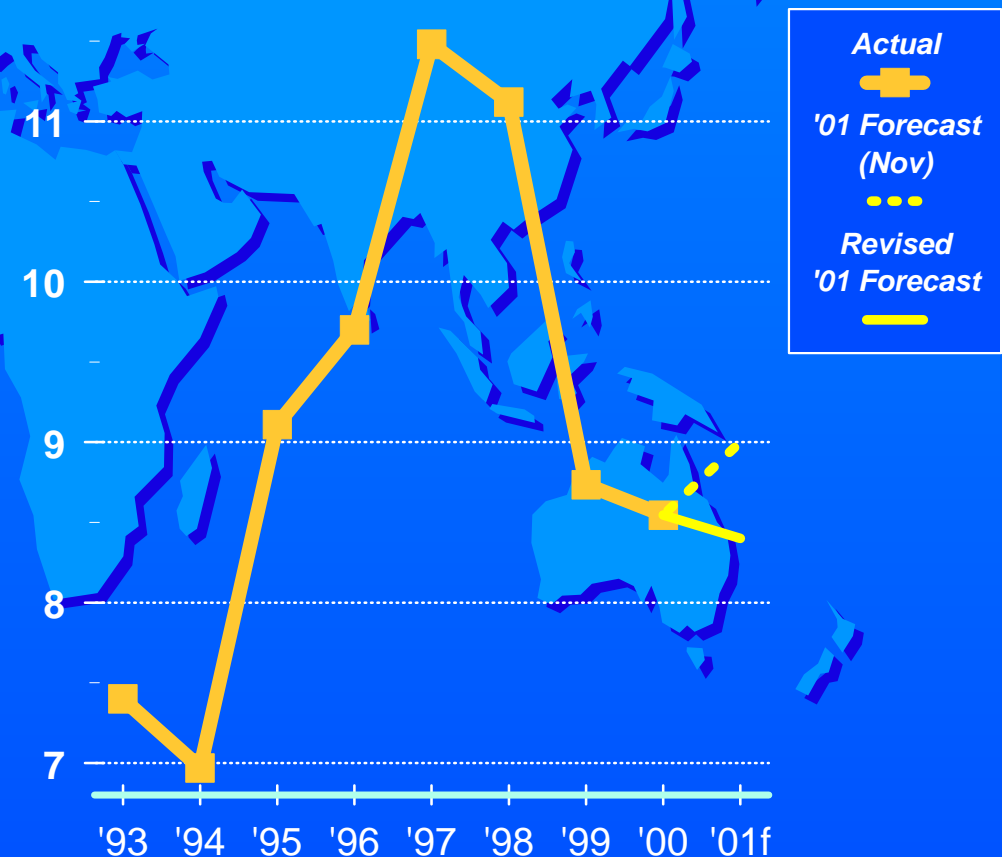
Key Downside Developments

- US soybean & prod exports fall 800,000 tons largely due to upward revisions in S.American soybean production and exports
- A 1.5 MMT upward revision in foreign soybean carry-in stocks, plus a 1.2 MMT upward revision of the foreign carry in of other oilseed stocks, chiefly rapeseed
- Growing US stocks of soybeans & oil are expected to curb export values

Wild Cards

- Upcoming oilseed yields in S.America
- Demand in China and India
- Length of EU ban on meat meal

US. Oilseed & Prod Exports (\$Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

Revised Forecast for 2001:  \$200 Million to \$2.2 Billion

Revisions since Nov due to...

Key Upside Developments

- Canadian demand is up

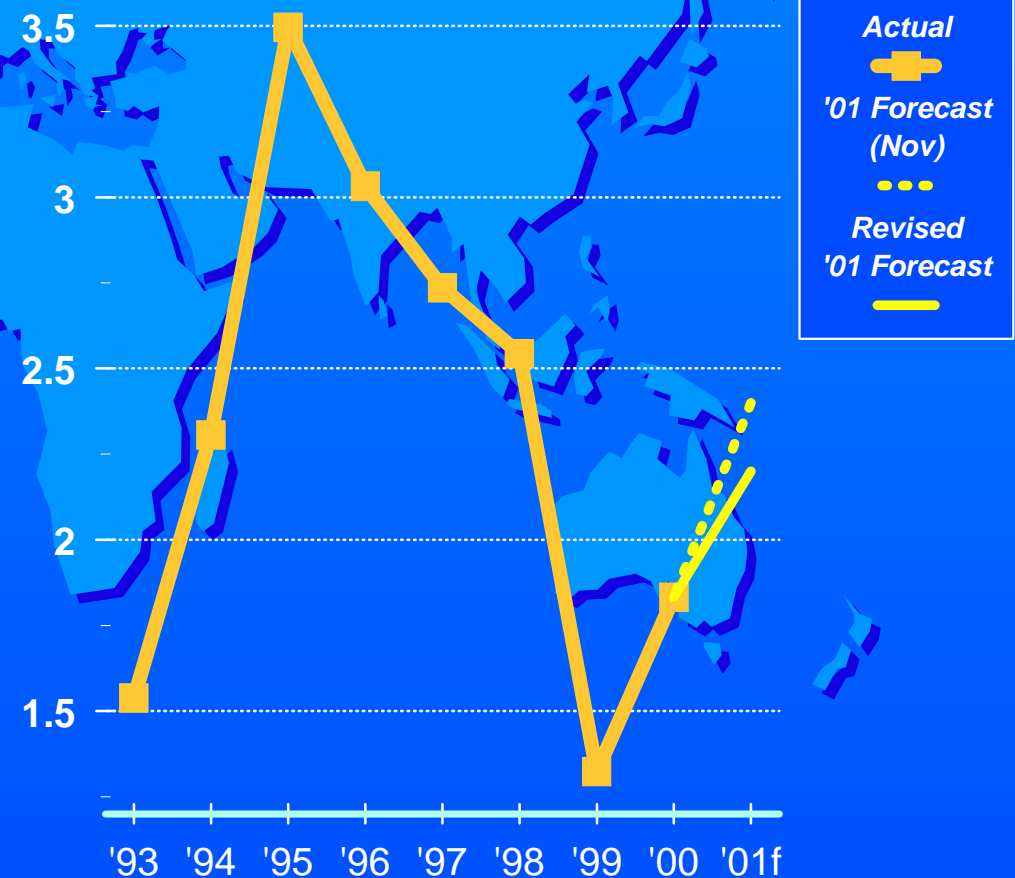
Key Downside Developments

- China production forecast increased by 2 million bales
- Mexico, the largest market for US cotton, is forecast to import more in 2000/01, but not as much as previously expected
- Turkey, another important US market, is forecast to import less from all countries

Wild Cards

- China's WTO commitments could lead to new US sales

U.S. Cotton Exports (\$Bil)



Export Outlook for DL&P Products

Revised Forecast for 2001:  \$200 Million to \$12.1 Billion

Revisions since Nov due to...

Key Upside Developments

- US beef, pork & poultry meat exports benefit from growing Mexican economy
- Poultry exports raised 100,000 tons to 2.9 million tons due to continued strong sales to Russia, China & Mexico
- Export gains recorded for live animals, beef tripe, and glues

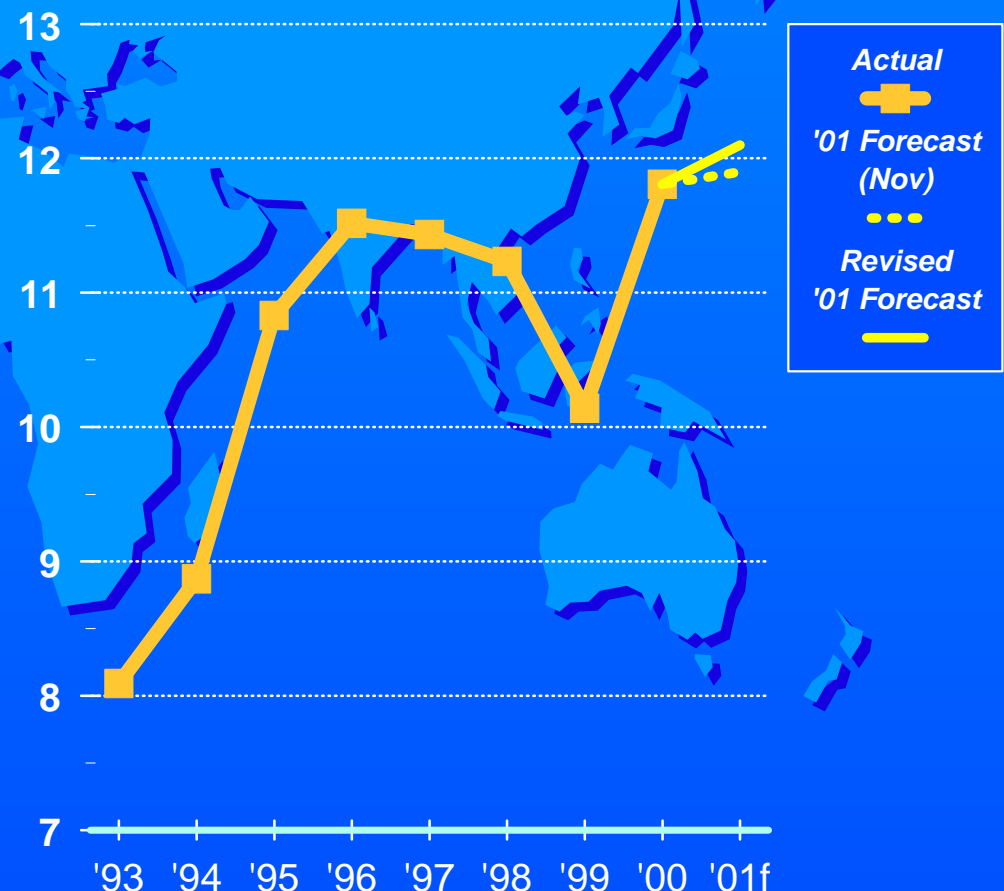
Key Downside Developments

- Slower sales of high-value beef cuts to Japan reduce export forecast for beef by \$200 million -- red meat exports now estimated at \$5 billion globally

Wild Cards

- BSE concerns create uncertainty in beef & rendered products trade with potential opportunities & threats to US suppliers

Dairy, Livstk, Poultry Exports (\$Bil)



Export Outlook for Horticultural Products

Revised Forecast for 2001:  \$400 Million to \$11.3 Billion

Revisions since Nov due to...

Key Upside Developments

- Sales to top markets -- especially Canada & Mexico -- expected to rise
- Fruits (fresh & processed) up \$100 million based on strong sales of apples, grapes, and stone fruit
- Tree nuts up \$100 million due to a large increase in almond grower prices and a relatively large crop
- Vegetables (fresh & processed) up \$100 million based on strong sales for a variety of products
- "Other" products show gains as well, like wine and essential oils

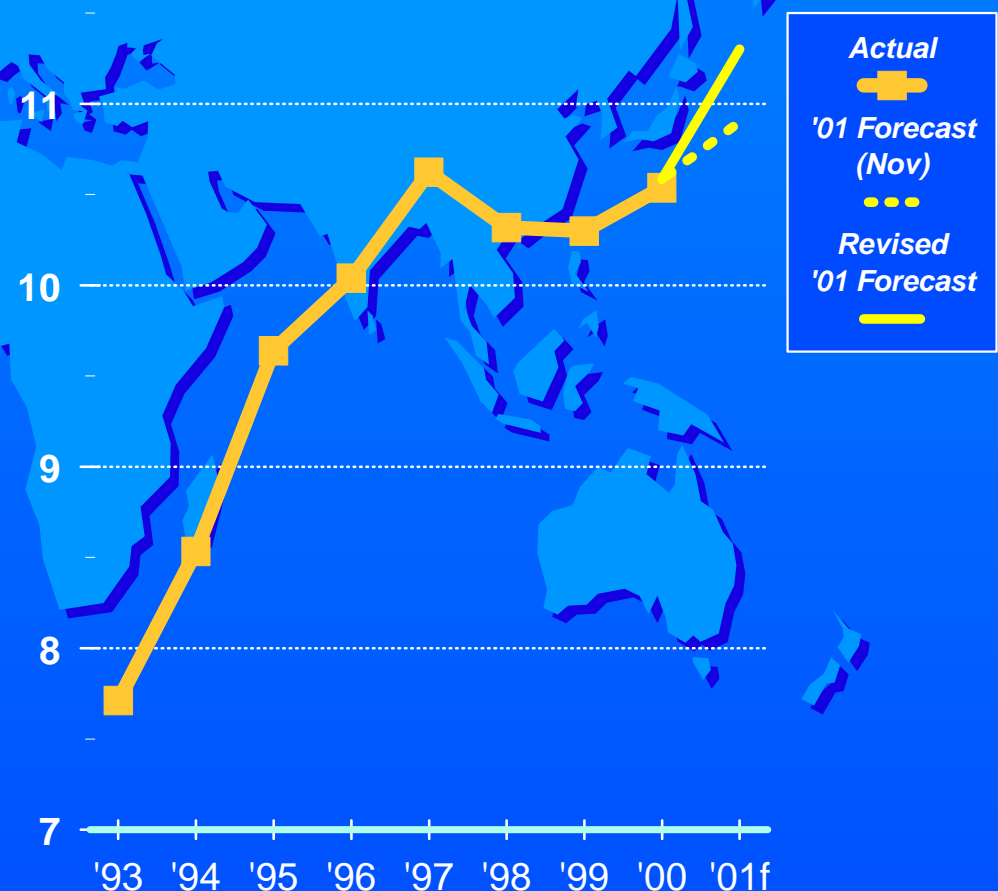
Key Downside Developments

- None

Wild Cards

- None

U.S. Hort. Product Exports (\$Bil)



Export Outlook for Fishery Products

Revised Forecast for 2001: Steady at \$2.8 Billion

Revisions since Nov due to...

Key Upside Developments

- Exports to 3 of top 4 markets (Japan, Korea, China) are running ahead of last year's sales: king crab exports to Japan already surpass FY 2000 total; monkfish & pollock exports to Korea are up; good chum salmon and squid sales to China; lobster exports to the EU are up

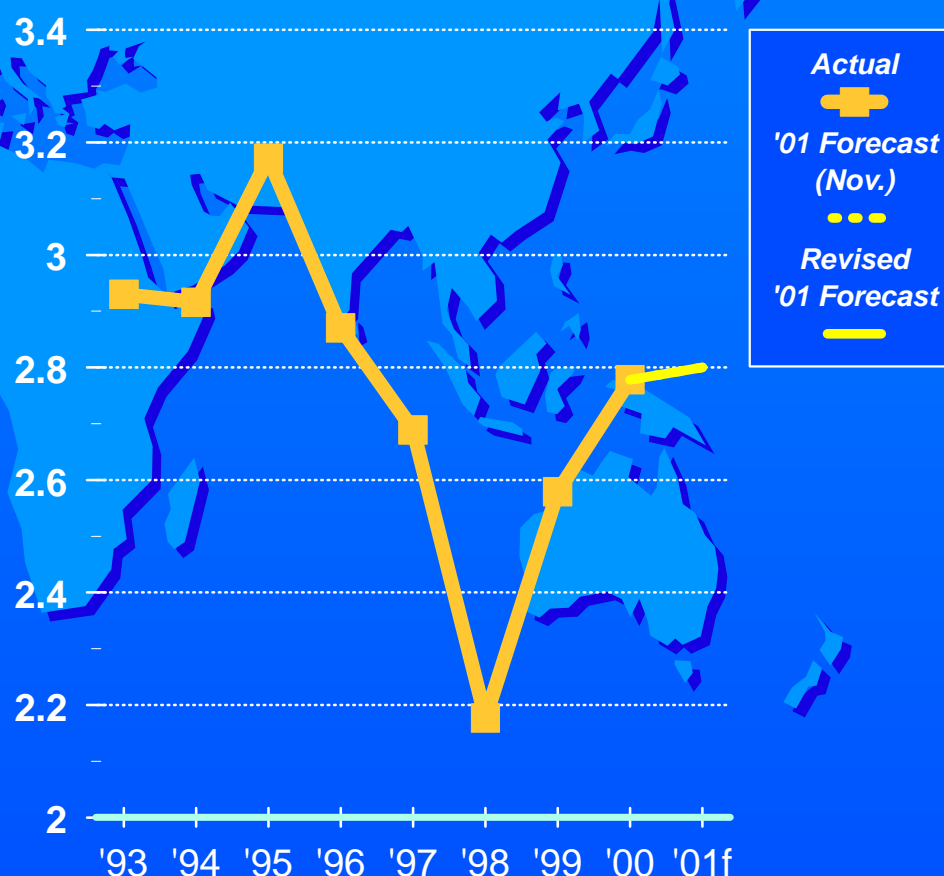
Key Downside Developments

- Exports to Canada (#2 market) are down, and exports to the EU are down primarily due to decreased canned salmon sales
- Continued strong competition from Chile, China, Norway, and Russia

Wild Cards

- Size of US harvests for salmon, pollock, crab, lobster, and squid in 2001; one early report estimates Alaska salmon harvest may be down as much as 35%
- Strength of the U.S. dollar

U.S. Fishery Product Exports (\$Bil)



Export Outlook for Solid Wood Products

Revised Forecast for 2001: Steady at \$6.3 Billion

Revisions since Nov due to...

Key Upside Developments

- Exports to top 3 markets (Canada, Japan & Mexico) are up 5%
- Gains expected to the EU for hardwoods, due to popularity of temperate hardwoods and strength of furniture market
- Gains to China expected to continue

Key Downside Developments

- Strong competition expected from countries such as Canada, Brazil, and Russia
- Softwood exports to the EU continue to fall due to losses in panels and plywood

Wild Cards

- Trade with Canada could be disrupted as the Canadian Softwood Lumber Agreement is set to expire on March 31
- Relative strength of the US dollar

U.S. Solid Wood Exports (\$Bil)

